

Economic Conditions in Rural Communities

reform is unacceptable. The Leader of the Opposition has mentioned that the 11 per cent sales tax on building material should be removed. In short, he said that what we have to do is bring back confidence in the economy, to which the government has said "baloney". In fact, the Minister of Finance dared the Leader of the Opposition to try his tax cut program on the provincial governments. As recorded at page 2546 of *Hansard*, the minister said:

• (5:10 p.m.)

This would mean a loss to—

provincial

—governments, because reductions in federal income taxes also reduce the revenues of provinces which the Leader of the Opposition says have not enough money now. I hope he drops in on the Conservative Premier of Ontario as well as the Conservative Premier of New Brunswick and tries that idea out on them.

In November, 1970, the Hon. C. MacNaughton, Treasurer of Ontario and Minister of Economics, had this to say about tax cuts in a speech in the Ontario Legislature:

In the context of our concern for the growing tax burden in Canada, I want to comment today on one particular tax measure that deserves immediate attention. While I recognize that tax reform now cannot become effective before January 1, 1972, I suggest to this House that at least one relief measure can be undertaken for the coming year.

I refer of course to the present 3 per cent surtax on personal incomes, which was imposed in 1968 as an anti-inflation measure. Our reform paper takes a strong position that this temporary surtax should not be incorporated as a built-in component of a reformed income tax structure.

Ontario urges that this 3 per cent surtax be terminated explicitly at the end of 1970, and that the white paper rate schedule be revised downward to reflect this fact.

This step would be positive and progressive on a number of counts. First, it would generate an immediate stimulus to the Canadian economy, which is required if we are to reduce unemployment and regain momentum and growth. Second, it would demonstrate to our taxpayers that temporary tax increases for economic stabilization purposes are indeed temporary. Third, by reducing taxes, it would restore confidence that governments are genuinely seeking reforms that benefit taxpayers.

An hon. Member: Genuine reforms.

Mr. Alexander: Mr. Speaker, I hear a voice in the wilderness over there. I wonder if the member is going to become involved in this debate or sit back and pussyfoot like the rest of them over there. I hope he has something concrete to say. If he has, I will listen.

I see that my time is starting to run out. In conclusion, Mr. Speaker, I just want to say that the government must create confidence. There is no sense in its going around talking about a seasonally unadjusted rate or adjusted rate if in fact 668,000 of our people are out of work. To hon. members opposite I say: look to the Leader of the Opposition who has given you leadership, who has given you direction in a number of areas, one of which I mentioned at length and which has been endorsed by the Provincial Treasurer of Ontario as a means whereby this problem can be alleviated.

To return to the Prime Minister, I wonder if he still sticks with that great statement he made some time ago

[Mr. Alexander.]

that, "If the Canadian people do not like my policies they can lump them." Was that just another great boo-boo he made? Let me close by repeating my first statement, that it does not matter how many camels you ride or how many orang-outangs you court, if the unemployment rate continues to rise as it has—and it will—hon. members opposite will not be back in government.

Mr. Barney Danson (Parliamentary Secretary to Prime Minister): Mr. Speaker, I have enjoyed the humour in the debate this afternoon. I always enjoy listening to the hon. member for Hamilton West (Mr. Alexander). In fact, it was good to see him live today after watching him on television the other night until the wee hours of the morning. Incidentally, it is amazing how the Conservatives could take good Liberal voting machines and get all fouled up. They certainly do not understand our policies and they do not understand our voting machines.

I am sorry if the hon. member thought I was smiling while he was making his remarks. I always look that way before I get ill.

Mr. McCleave: Get on with your speech.

Mr. Danson: Mr. Speaker, I could call this a dog's breakfast motion. I cannot figure out exactly at what it is supposed to be aimed, but it certainly gives a lot of scope. A part of the motion deals with agriculture, and certainly the hon. member for Hamilton West has handled the fertilizer pretty well. The hon. member for Hamilton West mentioned that he does not care about percentages, that he does not care about seasonally adjusted rates, that he just cares about people. I believe that. I think we all do, and I think that is the prime concern of everyone in this House. The question is: are the right things being done or the wrong things? Are we trying to be short-term, medium-term or long-term in our approach? Fundamentally, there are three time phases involved in this question. First, there is the immediate unemployment, then there is the medium term aspect involving the provision of summer jobs for students. Finally, there is the long-range aspect which involves regional disparities and the total economic goals of our country.

The hon. member for Hamilton West mentioned the meeting which was held in Toronto this morning. Mr. Speaker, I attended that meeting, and had to leave it a little early because of my duties here. The meeting was a very constructive one, and was attended by members of all parties, including the convert Conservative member from Toronto, a couple of members from the other party down the chamber, members of the provincial legislature and of the provincial cabinet, and members of the municipal council. The Mayor of the city of Toronto wisely had specific proposals to make, proposals which I think made a great deal of sense. They happen to fit in with the loan fund program of the federal government under which, I understand, Ontario will get \$17 million, of which \$5 million will go to Metro Toronto. This amount will help accomplish a fair share of the proposals put forward.

It was rather encouraging for members of this House to be able to meet with other levels of government and find